		FOR OHF USE					

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2004
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2004)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0037077

Facility Name: Holly Hill

Address: 203 Lafayette (Number) Anna (City) 62906 (Zip Code)

County: Union

Telephone Number: (618) 833-3322 **Fax #** (618) 833-4993

IDPA ID Number: 371272695001

Date of Initial License for Current Owners: 09/07/91

Type of Ownership:

[ ]	VOLUNTARY,NON-PROFIT	[X]	PROPRIETARY	[ ]	GOVERNMENTAL
[ ]	Charitable Corp.	[ ]	Individual	[ ]	State
[ ]	Trust	[ ]	Partnership	[ ]	County
IRS Exemption Code		[ ]	Corporation	[ ]	Other
		[X]	"Sub-S" Corp.		
		[ ]	Limited Liability Co.		
		[ ]	Trust		
		[ ]	Other		

In the event there are further questions about this report, please contact:
Name: Richard Stroh **Telephone Number:** (618) 833-5070

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 1/1/04 to 12/31/04 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider
(Signed) _____ (Date)
(Type or Print Name) Richard Stroh
(Title) Asst. Comptroller

Paid Preparer
(Signed) _____ (Date)
(Print Name and Title)
(Firm Name & Address)
(Telephone) ( ) Fax # ( )

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds 5856

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1		Skilled (SNF)			1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6	16	ICF/DD 16 or Less	16	5,856	6
7	16	TOTALS	16	5,856	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF					8
9	SNF/PED					9
10	ICF					10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS	5,399	366		5,765	13
14	TOTALS	5,399	366		5,765	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 98.45%

D. How many bed-hold days during this year were paid by Public Aid?
84 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [ ] NO [X]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [ ] NO [X]

I. On what date did you start providing long term care at this location?
Date started 01/01/91

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 01/01/91 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [ ] NO [X] If YES, enter number of beds certified _____ and days of care provided _____

Medicare Intermediary _____

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 12/31/04 Fiscal Year: 12/31/04

* All facilities other than governmental must report on the accrual basis.

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4	5	6	7	8	9	10	
	A. General Services											
1	Dietary	36,459	664	1,265	38,388		38,388		38,388			1
2	Food Purchase		37,720		37,720		37,720		37,720			2
3	Housekeeping	17,453	3,873	1,020	22,346		22,346	83	22,429			3
4	Laundry		1,074	9	1,083		1,083		1,083			4
5	Heat and Other Utilities			11,136	11,136		11,136	186	11,322			5
6	Maintenance		1,501	1,756	3,257		3,257	4,042	7,299			6
7	Other (specify):*											7
8	**TOTAL General Services**	53,912	44,832	15,186	113,930		113,930	4,311	118,241			8
	B. Health Care and Programs											
9	Medical Director			3,600	3,600		3,600		3,600			9
10	Nursing and Medical Records	118,900	2,277	2,602	123,779		123,779	888	124,667			10
10a	Therapy		550	4,083	4,633		4,633		4,633			10a
11	Activities			289	289		289		289			11
12	Social Services	26,256	791	2,730	29,777		29,777	(792)	28,985			12
13	Nurse Aide Training	2,854		1,050	3,904		3,904		3,904			13
14	Program Transportation		3,330	1,306	4,636		4,636		4,636			14
15	Other (specify):* Day Training			165,999	165,999		165,999	(165,999)				15
16	**TOTAL Health Care and Programs**	148,010	6,948	181,659	336,617		336,617	(165,903)	170,714			16
	C. General Administration											
17	Administrative	12,000		10,400	22,400		22,400	4,671	27,071			17
18	Directors Fees											18
19	Professional Services			26,185	26,185		26,185	(23,527)	2,658			19
20	Dues, Fees, Subscriptions & Promotions			1,636	1,636		1,636	(144)	1,492			20
21	Clerical & General Office Expenses		2,310	5,085	7,395		7,395	7,830	15,225			21
22	Employee Benefits & Payroll Taxes			32,643	32,643		32,643	4,749	37,392			22
23	Inservice Training & Education			31	31		31		31			23
24	Travel and Seminar							28	28			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			2,600	2,600		2,600	170	2,770			26
27	Other (specify):*											27
28	**TOTAL General Administration**	12,000	2,310	78,580	92,890		92,890	(6,223)	86,667			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	213,922	54,090	275,425	543,437		543,437	(167,815)	375,622			29

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Holly Hill #0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	D. Ownership	1	2	3	4	5	6	7	8	9	10	
30	Depreciation			14,315	14,315		14,315	10,614	24,929			30
31	Amortization of Pre-Op. & Org.			75	75		75		75			31
32	Interest			9,895	9,895		9,895		9,895			32
33	Real Estate Taxes			5,849	5,849		5,849	105	5,954			33
34	Rent-Facility & Grounds			36,000	36,000		36,000	(35,521)	479			34
35	Rent-Equipment & Vehicles			90	90		90	190	280			35
36	Other (specify):*			5,604	5,604		5,604	(5,397)	207			36
37	**TOTAL Ownership**			71,828	71,828		71,828	(30,009)	41,819			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			29,932	29,932		29,932		29,932			42
43	Other (specify):*											43
44	**TOTAL Special Cost Centers**			29,932	29,932		29,932		29,932			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	213,922	54,090	377,185	645,197		645,197	(197,824)	447,373			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer-ence	3 OHF USE ONLY	
1	Day Care	$ (165,999)	15	$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(211)	22		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	9,813	30		9
10	Interest and Other Investment Income				10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(107)	36		18
19	Entertainment				19
20	Contributions	(130)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(5,290)	36		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule Pg 5A	(869)			29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (162,793)		$	30

OHF USE ONLY								
48		49		50		51		52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(35,031)		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (35,031)		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (197,824)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.			$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44	Exceptional Care Program					44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

Holly Hill

ID# 0037077

Report Period Beginning: 1/1/04

Ending: 12/31/04

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	PAC Dues	$ (77)	20	1
2	Christmas Gifts	(160)	12	2
3	Donation	(50)	12	3
4	Clothing/Gifts	(440)	12	4
5	Floral	(142)	12	5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(869)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Holly Hill # 0037077 **Report Period Beginning:** 1/1/04 **Ending:** 12/31/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	0	0	0	0	0	0	0	0	0	0	0	0	2
3	Housekeeping	0	83	0	0	0	0	0	0	0	0	0	83	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	186	0	0	0	0	0	0	0	0	0	186	5
6	Maintenance	0	616	3,426	0	0	0	0	0	0	0	0	4,042	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	0	885	3,426	0	0	0	0	0	0	0	0	4,311	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	888	0	0	0	0	0	0	0	0	888	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	(792)	0	0	0	0	0	0	0	0	0	0	(792)	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	(165,999)	0	0	0	0	0	0	0	0	0	0	(165,999)	15
16	**TOTAL Health Care and Programs**	(166,791)	0	888	0	0	0	0	0	0	0	0	(165,903)	16
	C. General Administration													
17	Administrative	0	0	4,671	0	0	0	0	0	0	0	0	4,671	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	473	(24,000)	0	0	0	0	0	0	0	0	(23,527)	19
20	Fees, Subscriptions & Promotions	(207)	63	0	0	0	0	0	0	0	0	0	(144)	20
21	Clerical & General Office Expenses	0	1,216	6,614	0	0	0	0	0	0	0	0	7,830	21
22	Employee Benefits & Payroll Taxes	(211)	4,960	0	0	0	0	0	0	0	0	0	4,749	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	28	0	0	0	0	0	0	0	0	0	28	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	170	0	0	0	0	0	0	0	0	0	170	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	**TOTAL General Administration**	(418)	6,910	(12,715)	0	0	0	0	0	0	0	0	(6,223)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(167,209)	7,795	(8,401)	0	0	0	0	0	0	0	0	(167,815)	29

STATE OF ILLINOIS **Summary B**

Facility Name & ID Number **Holly Hill** **#** **0037077** **Report Period Beginning:** **1/1/04** **Ending:** **12/31/04**

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	**5 & 5A**	**6**	**6A**	**6B**	**6C**	**6D**	**6E**	**6F**	**6G**	**6H**	**6I**	**TOTALS (to Sch V, col.7)**	
30	Depreciation	**9,813**	**801**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**10,614**	30
31	Amortization of Pre-Op. & Org.	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	31
32	Interest	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	32
33	Real Estate Taxes	**0**	**105**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**105**	33
34	Rent-Facility & Grounds	**0**	**479**	**(36,000)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(35,521)**	34
35	Rent-Equipment & Vehicles	**0**	**190**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**190**	35
36	Other (specify):*	**(5,397)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(5,397)**	36
37	**TOTAL Ownership**	**4,416**	**1,575**	**(36,000)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(30,009)**	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	38
39	Ancillary Service Centers	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	39
40	Barber and Beauty Shops	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	40
41	Coffee and Gift Shops	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	41
42	Provider Participation Fee	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	42
43	Other (specify):*	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	43
44	**TOTAL Special Cost Centers**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	**(162,793)**	**9,370**	**(44,401)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(197,824)**	45

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Don J. Pippins	50	Glenbrook	Vienna	kel-Tech Mgmt	Anna	Mgmt Co.
Christian D. Pippins	50	Liberty House	Marion	JR's Centre	Anna	DT Program
		Krypton	Metropolis	ILS 1-3	Anna	CILA
		Colonial Manor	Ziegler	ILS 4	Mertopolis	CILA
		Pilot House	Cairo			
		Lincoln Square	Jonesboro			
		Mulberry manor & New Way	Anna			

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	3	Housekeeping	$	kel-Tech Management Co.	25.00%	$ 83	$ 83	1
2	V	5	Utilities		kel-Tech Management Co.	25.00%	186	186	2
3	V	6	Maintenance		kel-Tech Management Co.	25.00%	616	616	3
4	V	19	Professional Services		kel-Tech Management Co.	25.00%	473	473	4
5	V	20	Dues, Fees, Subscrtiptions		kel-Tech Management Co.	25.00%	63	63	5
6	V	21	Office Expenses		kel-Tech Management Co.	25.00%	1,216	1,216	6
7	V	22	Employee Benefits		kel-Tech Management Co.	25.00%	4,960	4,960	7
8	V	24	Seminar		kel-Tech Management Co.	25.00%	28	28	8
9	V	26	P & C Insurance		kel-Tech Management Co.	25.00%	170	170	9
10	V	30	Depreciation		kel-Tech Management Co.	25.00%	801	801	10
11	V	33	Real Estate Taxes		kel-Tech Management Co.	25.00%	105	105	11
12	V	34	Building Lease		kel-Tech Management Co.	25.00%	479	479	12
13	V	35	Equipment Lease		kel-Tech Management Co.	25.00%	190	190	13
14	Total			$			$ 9,370	$ * 9,370	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	10	Nursing	$	kel-Tech management Co.	25.00%	$ 888	$ 888	15
16	V	17	Administration		kel-Tech management Co.	25.00%	4,671	4,671	16
17	V	21	Clerical		kel-Tech management Co.	25.00%	6,614	6,614	17
18	V	6	Maintenance		kel-Tech management Co.	25.00%	3,426	3,426	18
19	V	19	Professional Services	24,000	kel-Tech management Co.	25.00%		(24,000)	19
20	V	34	Building Lease	36,000	J & J Partners	0.00%		(36,000)	20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 60,000			$ 15,599	$ * (44,401)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week: Hours	Percent	Compensation Included in Costs for this Reporting Period**: Description	Amount	Schedule V. Line & Column Reference	
1	Don J. Pippins	ADM/Owner	Accting/Mgmt	50.00	130,235	1	2.50	ADM	$ 12,000	17-1	1
2	Christian D. Pippins	QMRP/Owner	Prog/Mgmt	50.00	88,648	4	10.00	QMRP	26,255	12-1	2
3	Diana Alley	DON	DON		76,105	4	10.00	DON	12,064	10-1	3
4											4
5											5
6											6
7	kel-Tech Mgmt Co. Allocation:										7
8	Diana Alley							Nursing	888	10-1	8
9	Jacob Alley							Maintenance	3,345	6-1	9
10	James A. Keller							ADM	4,337	17-1	10
11	Don J. Pippins							ADM	335	17-1	11
12											12
13								TOTAL	$ 59,224		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: kel-Tech Management Co.
Street Address: 158 E Vienna Street
City / State / Zip Code: Anna, IL 62906
Phone Number: ((618) 833-5070
Fax Number: ((618) 833-4993

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	3	HOUSEKEEPING	Mgmt. Fee Contribution	360,999	12	$ 1,250	$	24,000	$ 83	1
2	5	UTILITIES ELECT/GAS	Mgmt. Fee Contribution	360,999	12	2,488		24,000	165	2
3	5	UTILITIES WATER	Mgmt. Fee Contribution	360,999	12	315		24,000	21	3
4	6	GROUNDS MAINT	Mgmt. Fee Contribution	360,999	12	628		24,000	42	4
5	6	MAINTENANCE SUPPLIES	Mgmt. Fee Contribution	360,999	12	42		24,000	3	5
6	6	MAINTENANCE VEHICLE	Mgmt. Fee Contribution	360,999	12	830		24,000	55	6
7	6	PREVENTATIVE MAINT	Mgmt. Fee Contribution	360,999	12	103		24,000	7	7
8	6	REPAIRS BLDG	Mgmt. Fee Contribution	360,999	12	122		24,000	8	8
9	6	REPAIRS FURN/EQUIP	Mgmt. Fee Contribution	360,999	12	2,158		24,000	143	9
10	6	REPAIRS VEHICLES	Mgmt. Fee Contribution	360,999	12	1,051		24,000	70	10
11	6	TRANSPORTATION	Mgmt. Fee Contribution	360,999	12	3,314		24,000	220	11
12	6	PEST CONTROL	Mgmt. Fee Contribution	360,999	12	910		24,000	60	12
13	19	LEGAL & ACCOUNTING	Mgmt. Fee Contribution	360,999	12	7,117		24,000	473	13
14	20	ADV. HELP WANTED	Mgmt. Fee Contribution	360,999	12	336		24,000	22	14
15	20	DUES FEES SUBSCRIPTIONS	Mgmt. Fee Contribution	360,999	12	765		24,000	51	15
16	21	EDUCATIONAL SUPPLIES	Mgmt. Fee Contribution	360,999	12	24		24,000	2	16
17	21	BANK CHARGES	Mgmt. Fee Contribution	360,999	12	15		24,000	1	17
18	21	COPIER EXPENSE SUPPLIES	Mgmt. Fee Contribution	360,999	12	366		24,000	24	18
19	21	G & A MISC	Mgmt. Fee Contribution	360,999	12	231		24,000	15	19
20	21	SUPPLIES STOCK	Mgmt. Fee Contribution	360,999	12	498		24,000	33	20
21	21	G & A SUPPLIES	Mgmt. Fee Contribution	360,999	12	8,117		24,000	540	21
22	21	POSTAGE	Mgmt. Fee Contribution	360,999	12	3,216		24,000	214	22
23	21	SOFTWARE EXPENSE	Mgmt. Fee Contribution	360,999	12	1,178		24,000	78	23
24	21	TAXES & LICENSES	Mgmt. Fee Contribution	360,999	12	184		24,000	12	24
25	TOTALS					$ 35,258	$		$ 2,342	25

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: kel-Tech Management Co.
Street Address: 158 E Vienna Street
City / State / Zip Code: Anna, IL 62906
Phone Number: ((618) 833-5070
Fax Number: ((618) 833-4993

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	21	TELEPHONE	Mgmt. Fee Contribution	360,999	12	$ 2,623	$	24,000	$ 174	1
2	21	CELL PHONE EXPENSE	Mgmt. Fee Contribution	360,999	12	1,285		24,000	85	2
3	21	UTILITIES-INTERNET	Mgmt. Fee Contribution	360,999	12	562		24,000	37	3
4	22	INS EMP GROUP	Mgmt. Fee Contribution	360,999	12	47,433		24,000	3,153	4
5	22	INSURANCE W/C	Mgmt. Fee Contribution	360,999	12	7,649		24,000	509	5
6	22	PAYROLL TAX EXPENSE	Mgmt. Fee Contribution	360,999	12	19,521		24,000	1,298	6
7	24	ADM. STAFF TRAINING	Mgmt. Fee Contribution	360,999	12	416		24,000	28	7
8	26	INSURANCE BLDG & LIAB	Mgmt. Fee Contribution	360,999	12	1,388		24,000	92	8
9	26	INSURANCE VEHICLES	Mgmt. Fee Contribution	360,999	12	1,169		24,000	78	9
10	30	DEPRECIATION	Mgmt. Fee Contribution	360,999	12	12,046		24,000	801	10
11	33	REAL ESTATE TAXES	Mgmt. Fee Contribution	360,999	12	1,584		24,000	105	11
12	34	LEASE BLDG	Mgmt. Fee Contribution	360,999	12	7,200		24,000	479	12
13	35	LEASE EQUIP	Mgmt. Fee Contribution	360,999	12	2,856		24,000	190	13
14	10	NURSING WAGES	Mgmt. Fee Contribution	360,999	12	13,358	13,358	24,000	888	14
15	17	ADMINISTRATION WAGES	Mgmt. Fee Contribution	360,999	12	70,256	70,256	24,000	4,671	15
16	21	CLERICAL WAGES	Mgmt. Fee Contribution	360,999	12	99,484	99,484	24,000	6,614	16
17	6	MAINTENANCE WAGES	Mgmt. Fee Contribution	360,999	12	51,529	51,529	24,000	3,426	17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 340,359	$ 234,627		$ 22,628	25

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1	Anna National Bank		X	Remodeling	$2,400.69	11/5/99	$ 200,000	$ 117,409	11/5/09	7.7830	$ 9,914	1
2	Ford Credit		X	Van Purchase	$685.18	4/3/01	22,896		4/3/04	4.8970	(19)	2
3												3
4												4
5												5
	Working Capital											
6												6
7												7
8												8
9	TOTAL Facility Related				$3,085.87		$ 222,896	$ 117,409			$ 9,895	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$	14
15	TOTALS (line 9+line14)						$ 222,896	$ 117,409			$ 9,895	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. **$** _____ **Line #** _____

*** Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)**

**** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)**

Facility Name & ID Number Holly Hill # 0037077 **Report Period Beginning:** 1/1/04 **Ending:** 12/31/04

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2003 report.	*Important*, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	$ 5,860	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		$ 5,809	2
3. Under or (over) accrual (line 2 minus line 1).		$ (51)	3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)		$ 5,900	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. **(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)**		$	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. **TOTAL REFUND $ For Tax Year.** **(Attach a copy of the real estate tax appeal board's decision.)**		$	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$ 5,849	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:			
	1999	4,188	8
	2000	4,300	9
	2001	5,720	10
	2002	5,741	11
	2003	5,809	12

Sch. IX, Line 7	5849		
kel-Tech Allocation	105		
Sch. V, Line 33, Col. 8	5954		

	FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2003	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Holly Hill COUNTY Union

FACILITY IDPH LICENSE NUMBER 0037077

CONTACT PERSON REGARDING THIS REPORT

TELEPHONE 618 833-5070 FAX #: 618 833-4993

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2003.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	14-00-08-178	E. PT Lot 8 W Davies 1st Add	$ 267.32	$ 267.32
2.	14-00-08-179	Lot 9 W Davies 1st Add	$ 5,541.74	$ 5,541.74
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 5,809.06	$ 5,809.06

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 2003 tax bill which is normally paid during 2004.

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 3,600 B. General Construction Type: Exterior Wood Frame Wood Number of Stories 2

C. Does the Operating Entity? [ ] (a) Own the Facility [X] (b) Rent from a Related Organization. [ ] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [X] (a) Own the Equipment [ ] (b) Rent equipment from a Related Organization. [ ] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: 2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization: 4. Dates Incurred:

Nature of Costs:
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Healthcare	3,600	1991	$ 5,000	1
2					2
3	TOTALS	3,600		$ 5,000	3

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	16		1984	1984	$ 126,386	$	25	$ 5,055	$ 5,055	$ 102,365	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Driveway			1992	2,500	148	15	125	(23)	2,134	9
10	Carpet			1996	284		7			284	10
11	Improvements			1996	765		7			765	11
12	Leasehold Improvements			1999	196,342	5,034	39	7,854	2,820	25,380	12
13	Heating & Cooling System			1999	2,486	166	15	124	(42)	1,245	13
14	Carpet			1999	13,197	1,177	7	1,320	143	11,429	14
15	Security Alarm			1999	470	42	7	47	5	407	15
16	Improvements			2000	19,670	504	39	787	283	2,374	16
17	Carpet			2000	2,086		7	209	209	2,086	17
18	Fire Alarm System			2000	1,933		7	193	193	1,933	18
19	Stair Treads			2002	253	31	7	36	5	175	19
20	Heating & Cooling System			2002	2,239	134	15	149	15	1,033	20
21	Flooring			2004	1,088	1,088	7	78	(1,010)	1,088	21
22											22
23											23
24											24
25											25
26											26
27											27
28											28
29											29
30											30
31											31
32											32
33											33
34											34
35											35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37			$	$		$	$	$	37
38									38
39									39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 369,699	$ 8,324		$ 15,977	$ 7,653	$ 152,698	70

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 166	$ 166	$ 193	$ 27		$	71
72	Current Year Purchases	2,611	2,611	210	(2,401)	5	2,611	72
73	Fully Depreciated Assets	24,440		2,169	2,169	7	24,566	73
74								74
75	TOTALS	$ 27,217	$ 2,777	$ 2,572	$ (205)		$ 27,177	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Healthcare	1984 Van	1984	$ 13,383	$	$	$	5	$ 13,383	76
77	Healthcare	2001 Van	2001	27,896	3,214	5,579	2,365	5	23,076	77
78										78
79										79
80	TOTALS			$ 41,279	$ 3,214	$ 5,579	$ 2,365		$ 36,459	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 443,195	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 14,315	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 24,128	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 9,813	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 216,334	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92		$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: Related Party

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. [ ] YES [ ] NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease .

9. Option to Buy: [ ] YES [ ] NO Terms: *

10. Effective dates of current rental agreement:
Beginning
Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2005	$
13.	/2006	$
14.	/2007	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? [ ] YES [X] NO

16. Rental Amount for movable equipment: $ 90 Description: Water Cooler
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			$	$	17
18					18
19					19
20					20
21	TOTAL		$	$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD? [x] YES [ ] NO

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
- IN-HOUSE PROGRAM [x]
- IN OTHER FACILITY [ ]
- COMMUNITY COLLEGE [ ]
- HOURS PER AIDE 44

3. CLINICAL PORTION:
- IN-HOUSE PROGRAM [x]
- IN OTHER FACILITY [ ]
- HOURS PER AIDE 86

B. EXPENSES

ALLOCATION OF COSTS (d)

			1 Facility Drop-outs	2 Facility Completed	3 Contract	4 Total
1	Community College Tuition		$	$	$	$
2	Books and Supplies					
3	Classroom Wages	(a)	156	781		937
4	Clinical Wages	(b)	304	1,613		1,917
5	In-House Trainer Wages	(c)				
6	Transportation					
7	Contractual Payments		420	630		1,050
8	Nurse Aide Competency Tests					
9	TOTALS		$ 880	$ 3,024	$	$ 3,904
10	SUM OF line 9, col. 1 and 2	(e)	$ 3,904			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	3
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	2
2. From other facilities (f)	
TOTAL TRAINED	5

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

	1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist		hrs	$		$	$		$	1
2	Licensed Speech and Language Development Therapist		hrs							2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist		hrs							4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescrpts							9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			$		$	$		$	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 12/31/04 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 48,184	$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	106,621		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	1,165		8
9	Other(specify):			9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 155,970	$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost	243,312		14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	68,496		16
17	Accumulated Depreciation (book methods)	(113,594)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	366		19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 198,580	$	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 354,550	$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 5,709	$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	9,134		30
31	Accrued Taxes Payable (excluding real estate taxes)	2,277		31
32	Accrued Real Estate Taxes(Sch.IX-B)	5,900		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36				36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 23,020	$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	117,409		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$ 117,409	$	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 140,429	$	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 214,121	$	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 354,550	$	48

***(See instructions.)**

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total		
1	**Balance at Beginning of Year, as Previously Reported**	$ 192,876	1	
2	Restatements (describe):		2	
3			3	
4			4	
5			5	
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 192,876	6	
	A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	48,045	7	
8	Aquisitions of Pooled Companies		8	
9	Proceeds from Sale of Stock		9	
10	Stock Options Exercised		10	
11	Contributions and Grants		11	
12	Expenditures for Specific Purposes		12	
13	Dividends Paid or Other Distributions to Owners	(26,800)	13	
14	Donated Property, Plant, and Equipment		14	
15	Other (describe)		15	
16	Other (describe)		16	
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ 21,245	17	
	B. Transfers (Itemize):			
18			18	
19			19	
20			20	
21			21	
22			22	
23	**TOTAL Transfers (sum of lines 18-22)**	$	23	
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ 214,121	24	*

*** This must agree with page 17, line 47.**

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 522,515	1
2	Discounts and Allowances for all Levels	( )	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 522,515	3
	B. Ancillary Revenue		
4	Day Care	165,999	4
5	Other Care for Outpatients		5
6	Therapy		6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 165,999	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements	4,728	11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 4,728	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***		25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28			28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 693,242	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	113,930	31
32	Health Care	336,617	32
33	General Administration	92,890	33
	B. Capital Expense		
34	Ownership	71,828	34
	C. Ancillary Expense		
35	Special Cost Centers		35
36	Provider Participation Fee	29,932	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 645,197	40
41	**Income before Income Taxes (line 30 minus line 40)****	48,045	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 48,045	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.**

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	523	523	$ 12,061	$ 23.06	1
2	Assistant Director of Nursing					2
3	Registered Nurses					3
4	Licensed Practical Nurses					4
5	Nurse Aides & Orderlies					5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants					10
11	Social Service Workers					11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook	3,615	3,913	36,459	9.32	14
15	Cook Helpers/Assistants					15
16	Dishwashers					16
17	Maintenance Workers					17
18	Housekeepers	2,024	2,130	17,453	8.19	18
19	Laundry					19
20	Administrator	520	520	12,000	23.08	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical					24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)	520	520	26,242	50.47	28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)	10,434	10,672	109,707	10.28	30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	17,636	18,278	$ 213,922 *	$ 11.70	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	30	$ 1,175	1-3	35
36	Medical Director	36	3,600	9-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	10	310	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant	30	1,785	10a-3	43
44	Activity Consultant				44
45	Social Service Consultant	60	2,730	12-3	45
46	Other(specify) Administrative Cons	140	10,400	17-3	46
47	Psychologist/Psychiatric Cons	37	2,291	10a-3	47
48	Dental Consultants	12	1,300	10-3	48
49	TOTAL (lines 35 - 48)	355	$ 23,591		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses		$		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		$		53

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Don Pippins	Administrator	100	$ 12,000
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 12,000

B. Administrative - Other

Description	Amount
Administrative Consultant	$ 10,400
TOTAL (agree to Schedule V, line 17, col. 3)	$ 10,400
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Barnett & Levine	CPA	$ 1,825
FMRG	Legal	360
Kel-Tech Management	Accounting/Mgmt Services	24,000
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 26,185

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 8,462
Unemployment Compensation Insurance	2,061
FICA Taxes	15,934
Employee Health Insurance	5,900
Employee Meals	211
Illinois Municipal Retirement Fund (IMRF)*	
Employee Physical	75
kel-Tech Mgmt Allocation	4,960
Less:	
Staff Meals	(211)
TOTAL (agree to Schedule V, line 22, col.8)	$ 37,392

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$
Advertising: Employee Recruitment	298
Health Care Worker Background Check	56
(Indicate # of checks performed 4)	
Resident Acct Bond	110
IHCA Dues	864
Subscriptions	71
Sam's Membership	30
IHCA PAC	77
Contributions	130
Less: Public Relations Expense	(207)
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 1,429

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	
Kel-Tech Allocation	28
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 28

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Holly Hill # 0037077 Report Period Beginning: 1/1/04 Ending: 12/31/04

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1			$		$	$	$	$	$	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **No**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **IHCA $864; PAC $77**

(3) Did the nursing home make political contributions or payments to a political action organization? **Yes** If YES, have these costs been properly adjusted out of the cost report? **Yes**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity?

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **6**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **143** Line **10-2**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease.

(9) Are you presently operating under a sublease agreement? YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **29,932**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **N/A**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **211** Has any meal income been offset against related costs? **No** Indicate the amount. $

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $
c. What percent of all travel expense relates to transportation of nurses and patients? **100%**
d. Have vehicle usage logs been maintained? **Yes**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **Yes**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **N/A**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $

(17) Has an audit been performed by an independent certified public accounting firm?
Firm Name: **No** The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? If no, please explain.

(18) Have all costs which do not relate to the provision of long term care been adjusted out out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **N/A**
Attach invoices and a summary of services for all architect and appraisal fees.

Related Parties Schedule VII
Owners Compensation
Jan 1, 2004 - Dec 31, 2004

	Totals / Entity	Holly Hill	ILS 1-4	JR's Centre	Mulberry Manor	Pilot House	Liberty House	Lincoln Square	kel-Tech Mgmt	Krypton	Glen Brook	New Way
Don Pippins	$ 142,235	$ 12,000	$ 12,000	$ 24,000			$ 6,000		$ 5,035	$ 43,200		$ 40,000
Denise Pippins	$ 114,648	26000	22431	66217								
Diana Alley	$ 88,105	12000	24000	9600	15301			13846	13358			
Jo Ann Keller	$ 138,304			12000	102304	24000						
James K. Keller	$ 26,725			12000	14725							
Jacob Alley	$ 50,294								50294			
Jake Alley	$ 34,718		30090	4428	200							
James A. Keller	$ 95,022		18500						65222		11300	
	$ 690,051	$ 50,000	$ 107,021	$ 128,245	$ 132,530	$ 24,000	$ 6,000	$ 13,846	$ 133,909	$ 43,200	$ 11,300	$ 40,000

Holly Hill, Inc.
Analysis of Sch. V, Line 36 Col 3
2004

Bad Debt	$ 5,290.00
Tax Penalties	107.00
Taxes & License	207.00
	$ 5,604.00

Holly Hill, Inc.
Analysis of Sch. VXI to Sch V, Line 30
2004

Sch V Line 30	$ 24,929.00
kel-Tech Mgmt. Allocation	(801.00)
Sch XI, Line 83	$ 24,128.00

Holly Hill, Inc.
Reconcilation of Book and Tax Income
Year Ended December 31, 2004

Adjusted book income	$ 48,045.00
Adjustment for accrual changes from 1/1/04 to 12/31/04	10,407.00
Carryover of Section 179 expenses	(1,254.00)
Adjustment for non-deductable expenses:	
Penalties	107.00
Taxable income per federal income tax return	$ 57,308.00